

## The Longaberger Company

**Approver:** LJE via HQAPP

**Request:** 57% discount off of the Ebusiness Suite – Professional/Employee/Add-on/Tech (IAS stays at standard ebusiness discount 25%).  
97% discount off of the Ebusiness Suite Professional User – EXTERNAL USAGE- (Subset of Modules)  
5 Year Support Hold – First 3 Years at 0%, Last 2 Years at 5%  
2Year Price Hold on all included products at the same discount.

### Deal Summary:

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<b>Product Mix:</b>	Ebusiness Suite with Supply Chain, Order Mgmt and HR add-ons. Technology, 9i, RAC, Partitioning, IAS, IDS, Packs, Express Server, Discoverer.  External Usage subset = Sales Online, Mobile Sales, Wireless Option, Sales Compensation, Quoting, Internet Expenses.
<b>License Discount</b>	91.4% (57% and 97% - see above)
<b>Support Discount</b>	91.4% (57% and 97% - see above)
<b>Support Options/Holds</b>	5 Yr. Hold, 3 yrs. At 0%, Next 2 at 5%
<b>Price Holds</b>	2 Yrs at the same discount
<b>List License</b>	\$81,568,250
<b>List Support</b>	\$17,945,015
<b>Net License</b>	\$7,076,748
<b>Net Support</b>	\$1,556,884
<b>Net Price</b>	\$8,633,632
<b>Price List Used</b>	3/15/02

**Justification:** We are competing very heavily with PeopleSoft. We were informed this morning that we are \$5.5M too high over 5 years. The PS proposal is based upon Annual Revenue. PS has gotten very aggressive with their pricing as a result of last weeks earnings warning. The aggressive discount for External users is required because the Longaberger business model is based upon sales through home shows by independent sales people (non-employees). There are 70,000 of these non-employees in the field. Their use of the system is very limited. They may only have 3 shows per month. Longaberger plans to implement the entire suite for all 7,100 employees, Financials, Supply Chain, HR, CRM.

**Recommendation:**

**Submitted By:** Rob Schaefer

Last revised 4/6/00



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